

B 10 (Official Form 10) (12/08)

UNITED STATES BANKRUPTCY COURT Eastern District of Virginia		PROOF OF CLAIM
Name of Debtor: Circuit City Stores, Inc.		Case Number: 08-35653
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Richard Kreuger		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: Peter A. Smit Varnum, LLP P.O. Box 352, Grand Rapids, MI 49501-0352 Telephone number: (616) 336-6508		
Name and address where payment should be sent (if different from above): Peter A. Smit Varnum, LLP P.O. Box 352, Grand Rapids, MI 49501-0352 Telephone number:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px; text-align: center;"> EXHIBIT A </div> <div> 1. Amount of Claim as of Date Case Filed: \$ <u>17,500.00</u> </div> </div> <p style="font-size: small;">If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.</p> <p style="font-size: small;">If all or part of your claim is entitled to priority, complete item 5.</p> <p><input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.</p>		
2. Basis for Claim: <u>See Attached</u> (See instruction #2 on reverse side.)		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____ <small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: 3/13/09	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <div style="text-align: center;"> Peter A. Smit, Attorney for Richard Kreuger </div>	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

B 10 (Official Form 10) (12/08) -- Cont.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity owed a debt by the debtor that arose on or before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.



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**ATTACHMENT TO PROOF OF CLAIM
CIRCUIT CITY STORES, INC.
CASE NO. 08-35653**

This office represents Richard Kreuger regarding the loss of valuable business data and information as a direct result of the negligence of Circuit City.

Mr. Kreuger encountered functional problems with his Compaq laptop computer in early May, 2008 while the computer was still under warranty. Mr. Kreuger brought the unit to Circuit City's computer specialist called "Firedog" at its Grandville, MI store. On May 6, 2008, he met with Michael Ahrendt, an employee in the computer section of the store. Mr. Ahrendt assured Mr. Kreuger that Circuit City could repair the unit by May 13, 2008, and that Circuit City would transfer the corrupted files to a new drive that was covered under the warranty. Mr. Kreuger was told that the cost would be \$129.99 for the repairs, and \$99.99 for the reinstallation (Exhibit 1). He produced the warranty that came with the unit, but was told the warranty covered the laptop's hardware only.

Mr. Kreuger, based on the representations of Circuit City, ordered the hard drive as well as a battery, and was told that he would be contacted when they arrived. Weeks passed with little progress. The promised date of May 13, 2008 came and went. Mr. Kreuger was forced to constantly call Circuit City as to the status of his laptop and the ordered component. Firedog continually told him that they were "still working on" his computer but needed more time. After nearly three months of dealing with the situation where any contact with Circuit City had to be initiated by Mr. Kreuger and after several visits, he spoke to Rich McCulsky, the supervisor in charge. He was then, for the first time, told that his hard drive was totally corrupted, and that none of his valuable business information could be retrieved.

Suffice it to say, our client was livid. He complained about the lack of communication and service on the part of Circuit City. Mr. McCulsky then had someone type up the list attached as Exhibit 2 listing what had been done regarding the computer to date.

Remarkably, Mr. Kreuger was then informed that his hard drive would be sent to the hard drive manufacturer and destroyed. Circuit City stated that they were required to follow this procedure. Mr. Kreuger told the supervisor that he wanted to speak with the manager as to what he viewed as a serious threat to his valuable business information. The manager confirmed that it was their intention to send the hard drive with all of our client's business information on it back to the manufacturer without making any effort to preserve the information.

Circuit City Stores, Inc.

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Mr. Kreuger then asked Michael Ahrendt with whom he had first worked, to join the discussion. He specifically told the manager in front of Mr. Ahrendt that he was demanding that the hard drive not be sent back to the manufacturer until he was given an opportunity to discuss the matter with the store manager, and to determine whether or not there was any way for the information to be retrieved. He was then given a \$99.99 refund, because the installation had never taken place and the discussion ended in a stalemate.

Mr. Kreuger continued attempts to contact the store manager, only to learn that the manager had been transferred to another store, and that he would be replaced by Elvir Tabakovic. He contacted Firedog the next day, only to find that indeed the supervisor, Mr. McCulsky, contrary to Mr. Kreuger's specific instructions, had sent the hard drive back to the manufacturer and that it had been destroyed, and all of the information contained therein lost.

Eventually Mr. Kreuger was able to speak with the store manager, who concluded that the actions of the parties at Circuit City were improper, and reimbursed the \$129.99 amount charged for the initial repairs. He also asked whether there was anything else he could do in light of the injustice committed. Mr. Kreuger thereafter contacted the Circuit City corporate offices, and was told that a Vice President would respond. He never received any communication whatsoever.

We have fully investigated this matter, and have spoken to the "Firedog" department at other stores. It is clear that the procedures followed in this case and the lack of communication with Mr. Kreuger were outside Circuit City policy.

Mr. Kreuger is a licensed real estate broker, teacher, and owner of Kreuger's Baseball Instruction School. All of his data and information accumulated over the past six plus years were on the hard drive that was destroyed because of Circuit City's conduct. This information included mailing lists and client contact information, in both the areas of real estate and his instructional school.

Mr. Kreuger estimates the damage to his business as a result of Circuit City's action to be \$17,500.

CIRCUIT CITY STORES, INC. #
4535 CANAL STREET S.W.
GRANDVILLE, MI 49418

Kreuger

5/6/08

- Install OS and Transfer Data Migration.
- Operating System along with customers applications re-installed.
- Battery was ordered from Assurant.
- OS reinstalled on new hard drive (hdd) from Assurant.
- Customers old hard drive was plugged into store's PC.
- Troubleshooted issues to get the drive to mount.
- Able to get the drive to mount, then ran EasyRecovery.
- Drive recovered data files however all recoverable data was found to be corrupt and unable to boot.
- Try to use another program to obtain any of the corrupt data. Trying to troubleshoot the corrupted HDD drive data with permission and windows settings.
- Battery arrived with wrong plates for replacement. Going to need to re-order a new drive.

TYPED UP
AFTER CONFRONTING
THEIR "RECORDS"